



**Privacy Impact Assessment
for the**

National Student Loan Data System (NSLDS)

Date

December 8, 2004

Contact Point

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Federal Student Aid (FSA)

U.S. Department of Education



1. What information will be collected for the system?

The NSLDS contains records on borrowers who have applied for and received loans under the William D. Ford Federal Direct Loan Program, the Federal Family Education Loan (FFEL) Program, the Federal Insured Student Loan (FISL) Program, and the Federal Perkins Loan Program (including National Defense Student Loans, National Direct Student Loans, Perkins Expanded Lending and Income Contingent Loans). The NSLDS also contains records on recipients of Federal Pell Grants and persons who owe an overpayment on a Federal Pell Grant, Federal Supplemental Educational Opportunity Grant or Federal Perkins Loans.

The NSLDS contains records regarding:

- (1) Student/borrower identifier information including Social Security number, date of birth and name;
- (2) the information on borrowers' loans covering the entire life cycle of a loan from origination through final payment, cancellation, discharge or other final disposition including details regarding each loan received by a student such as information on loan amounts, educational status, disbursements, balances, loan status, collections, claims, deferments, refunds and cancellations;
- (3) enrollment information including school(s) attended, anticipated completion date, enrollment status and effective dates;
- (4) student demographic information such as course of study, dependency, citizenship, gender, data on family income, expected family contribution, and address;
- (5) Federal Pell Grant amounts and dates; and
- (6) Federal Pell Grant, Federal Supplemental Educational Opportunity Grant, and Federal Perkins Loan Program overpayments.

2. Why is the information being collected?

This system of records is used for the following purposes:

- (1) To provide pre-screening and post-screening for Title IV aid eligibility;
- (2) to provide default rate calculations for educational institutions, guaranty agencies, and lenders;
- (3) to report changes in student/ borrower enrollment status via a Student Status Confirmation Report(SSCR) or other means;
- (4) to prepare electronic financial aid history information;
- (5) to assist guaranty agencies, educational institutions, financial institutions and servicers collect loans;
- (6) to provide audit and program review planning;
- (7) to support research studies and policy development;
- (8) to conduct budget analysis and development;
- (9) to track loan transfers from one entity to another;
- (10) to assess Title IV Program administration of guaranty agencies, educational institutions, financial institutions and servicers;



- (11) to track loan borrowers and overpayment debtors;
- (12) to provide information that supports Credit Reform Act of 1992 requirements;
- (13) to provide information to track refunds/cancellations; and
- (14) to assist in the collection of debts owed to the Department under Title IV of the Higher Education Act, as amended.

3. How will FSA use this information?

- (a) To verify the identity of the applicant involved, the accuracy of the record, or to assist with the determination of program eligibility and benefits, the Department may disclose records to the applicant, guaranty agencies, educational institutions, financial institutions and servicers, and to Federal and State agencies;
- (b) To provide default rate calculations, the Department may disclose records to guaranty agencies, educational institutions, financial institutions and servicers, and to State agencies;
- (c) To provide a standardized method for educational institutions to efficiently submit student enrollment status information, the Department may disclose records to guaranty agencies, educational institutions, financial institutions and servicers;
- (d) To provide financial aid history information, the Department may disclose records to educational institutions and servicers;
- (e) To assist loan holders in the collection of loans and to support pre-claims/supplemental pre-claims assistance, the Department may disclose records to guaranty agencies, educational institutions, financial institutions and servicers, and to Federal, State or Local agencies;
- (f) To support auditors and program reviewers in planning and carrying out their assessments of Title IV Program compliance, the Department may disclose records to guaranty agencies, educational institutions, financial institutions and servicers, and to Federal, State and Local agencies;
- (g) To support researchers and policy analysts, the Department may disclose records to guaranty agencies, educational institutions, financial institutions and servicers, and to Federal, State and Local agencies; using safeguards to ensure compliance with the Privacy Act, disclosures may also be made to other researchers and policy analysts not associated with guaranty agencies, educational institutions, financial institutions or servicers;
- (h) To support budget analysts in the development of budget needs and forecasts, the Department may disclose records to Federal and State agencies;
- (i) To assist in locating holders of loan(s), the Department may disclose records to students/borrowers, guaranty agencies, educational institutions, financial institutions and servicers, and to Federal, State or Local agencies;



- (j) To assist analysts in assessing Title IV Program administration of guaranty agencies, educational institutions, financial institutions and servicers, the Department may disclose records to Federal and State agencies;
- (k) To assist loan holders in locating borrowers and overpayment holders in locating debtors, the Department may disclose records to guaranty agencies, educational institutions, financial institutions and servicers, and to Federal agencies;
- (l) To assist with meeting Credit Reform Act of 1992 requirements, the Department may disclose records to Federal agencies;
- (m) To assist program administrators with tracking refunds and cancellations, the Department may disclose records to guaranty agencies, educational institutions, financial institutions and servicers, and to Federal and State agencies;
- (n) To enforce the terms of a loan, assist in the collection of a loan and assist in the collection of an aid overpayment. The Department may disclose records to guaranty agencies, educational institutions, financial institutions and servicers, and to Federal, State, or Local agencies.

(2) Litigation and Alternative Dispute Resolution (ADR) Disclosures.

(a) Introduction. In the event that one of the parties listed below is involved in litigation, or has an interest in litigation, the Department may disclose certain records to the parties described in paragraphs (b), (c) and (d) of this routine use under the conditions specified in those paragraphs:

- (i) The Department, or any component of the Department; or
 - (ii) Any Department employee in his or her official capacity; or
 - (iii) Any employee of the Department in his or her individual capacity where the Department of Justice has agreed to provide or arrange for representation for the employee; or
 - (iv) Any employee of the Department in his or her individual capacity where the agency has agreed to represent the employee; or
 - (v) The United States where the Department determines that the litigation is likely to affect the Department or any of its components.
- (b) Disclosure to the Department of Justice. If the Department determines that disclosure of certain records to the Department of Justice or attorneys engaged by the Department of Justice is relevant and necessary to litigation and is compatible with the purpose for which the records were collected, the Department may disclose those records as a routine use to the Department of Justice.
- (c) Administrative Disclosures. If the Department determines that disclosure of certain records to an adjudicative body before which the Department is authorized to appear, individual or entity designated by the Department or otherwise empowered to resolve disputes is relevant and necessary to the administrative litigation and is compatible with the purpose for which the



records were collected, the Department may disclose those records as a routine use to the adjudicative body, individual or entity.

(d) Parties, counsels, representatives and witnesses. If the Department determines that disclosure of certain records to an opposing counsel, representative or witness in an administrative proceeding is relevant and necessary to the litigation, the Department may disclose those records as a routine use to the party, counsel, representative or witness.

(3) Enforcement Disclosure. In the event that information in this system of records indicates, either on its face or in connection with other information, a violation or potential violation of any applicable statute, regulation, or order of a competent authority, the relevant records in the system of records may be referred, as a routine use, to the appropriate agency, whether foreign, Federal, State, Tribal, or local, charged with the responsibility of investigating or prosecuting such violation or charged with enforcing or implementing the statute, or executive order or rule, regulation, or order issued pursuant thereto.

(4) Contract Disclosure. If the Department contracts with an entity for the purpose of performing any function that requires disclosure of records in this system to employees of the contractor, the Department may disclose the records as a routine use to those employees. Before entering into such a contract, the Department shall require the contractor to maintain Privacy Act safeguards as required under 5 U.S.C. 552a(m) with respect to the records in the system.

(5) Disclosure to the Office of Management and Budget (OMB) for Credit Reform Act (CRA) Support. The Department may disclose individually identifiable information to OMB as necessary to fulfill CRA requirements. (These requirements currently include transfer of data on lender interest benefits and special allowance payments, defaulted loan balances, and supplemental pre-claims assistance payments information.).

(6) Employee Grievance, Complaint or Conduct Disclosure. If a record is relevant and necessary to an employee grievance, complaint, or disciplinary action, the Department may disclose the record in the course of investigation, fact-finding, or adjudication to any witness, designated fact-finder, mediator, or other person designated to resolve issues or decide the matter.

(7) Labor Organization Disclosure. Where a contract between a component of the Department and a labor organization recognized under 5 U.S.C., Chapter 71, provides that the Department will disclose personal records relevant and



necessary to the organization's mission, records in this system of records may be disclosed as a routine use to such an organization.

(8) Freedom of Information Act (FOIA) Advice Disclosure. In the event that the Department deems it desirable or necessary in determining whether particular records are required to be disclosed under the Freedom of Information Act, disclosure may be made to the Department of Justice for the purpose of obtaining its advice.

(9) Disclosure to the Department of Justice. The Department may disclose information from this system of records as a routine use to the Department of Justice to the extent necessary for obtaining its advice on any matter relevant to an audit, inspection, or other inquiry related to the Department's responsibilities under Title IV of the Higher Education Act of 1965.

(10) Congressional Member Disclosure. The Department may disclose information from this system of records to a congressional office from the record of an individual in response to an inquiry from the congressional office made at the written request of that individual; the Member's right to the information is no greater than the right of the individual who requested it.

4. Will this information be shared with any other agency? If so, which agency(ies)?

The Department of Education may disclose information contained in a record in an individual's account under the routine uses listed in the Privacy Act System of Records notice without the consent of the individual if the disclosure is compatible with the purposes for which the record was collected. Specific disclosures include the following:

- . Freedom of Information Act (FOIA) Advice Disclosure
- . Disclosure to the Department of Justice
- . Contract Disclosure
- . Litigation and Alternative Dispute Resolution (ADR) Disclosure
- . Parties, counsels, representatives and witnesses
- . Administrative Disclosures
- . Federal and State agencies
- . Enforcement Disclosure
- . Employee Grievance, Complaint or Conduct Disclosure
- . Labor Organization Disclosure
- . Congressional Member Disclosure
- . Consumer reporting agency



These disclosures may be made on a case-by-case basis. If the Department has complied with the computer matching requirements of the Privacy Act, disclosure also may be made to another agency under a computer matching agreement.

There will be no sharing of information for purposes outside of the above disclosure requirements or for anything other than the primary purpose(s) of collecting the information. Any contractor responsible for the operations of the National Student Loan Data System(NSLDS)is held to the privacy and security requirements of the Department of Education in the handling of information collected through NSLDS.

5.Describe the notice or opportunities for consent that would be/ or are provided to individuals about what information is collected and how that information is shared with other organizations.

NSLDS is a government agency database system that the public accesses, the Privacy Policy is appropriately posted for the NSLDS users. This is a general policy, which applies to the handling of any information collected on the database.

A Privacy Act Statement Requirement is incorporated into the NSLDS log on Privacy Policy articulating the specific authority for collecting personal information that will be maintained and retrieved by name or identifier from a Privacy Act system of records, the mandatory or voluntary nature of the information collected and the uses of the information. Before an individual can log to the NSLDS system they must read the Privacy Act Requirement statement and agree before the system will allow them access.

6.How will the information be secured?

All physical access to the sites of the contractor where this system of records is maintained, is controlled and monitored by security personnel who check each individual entering the building for his or her employee or visitor badge.

The computer system employed by the Department offers a high degree of resistance to tampering and circumvention by use of software that requires user access to be defined to specific online functions. This security system limits data access to users on a ``need to know" basis and controls individual users' ability to access and alter records within the system. All users of this system are given a unique user ID with a personal identifier. Most data is loaded into NSLDS via a batch



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process. The security utilized ensures that only data from authorized data providers can add or update records in NSLDS.

7. Is a system of records being created or updated with the collection of this information?

Yes, a system of records has been created with this collection of information. Users are provided notice of rights under the Privacy Act via links to the agency Privacy Act regulations (34 C.R.F. Part 5b.5) and to the Privacy Act system of records notice for the National Student Loan Data System. (64 Fed. Reg. 72395 (December 27, 1999)).

8. List the web addresses (known or planned) that will have a Privacy Notice.

<http://www.nsldsfa.ed.gov> (Financial Aid Professional)

<http://www.nslds.ed.gov> (Students)